

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 032546

61

ORIGIN OES-04

INFO OCT-01 EUR-12 EA-06 ISO-00 EB-07 /030 R

66615

DRAFTED BY OES/SCI/AE:JBLOOM:MER

APPROVED BY OES/SCI:NSIEVERING

EB- S. BOSWORTH

EUR/RPE - D. LAMB

----- 005885

P 122346Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY OSLO

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

USMISSION NATO

LIMITED OFFICIAL USE STATE 032546

FOL REPEAT OECD PARIS 03338 SENT ACTION SECSTATE FEB 7

QTE

LIMITED OFFICIAL USE OECD PARIS 03338

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 032546

E.O. 11652: N/A

TAGS: ENRG, OECD

SUBJECT: SUMMARY OF REMARKS BY ASST. SECRETARY ENDERS
TO IEA GOVERNING BOARD FEB 6

FOLLOWING IS SUMMARY OF REMARKS BY ASSISTANT SECRETARY
ENDERS TO IEA GOVERNING BOARD, FEB. 6:

1. YESTERDAY I DISCUSSED ONE TIER OF THE THREE-TIERED
APPROACH DESCRIBED IN SECRETARY KISSINGER'S SPEECH AND
IN PARTICULAR THE BALANCE TO BE STRUCK BETWEEN THOSE
COUNTRIES WITH SUBSTANTIAL ENERGY RESOURCES AND THOSE
WHOSE OWN POSSIBILITIES ARE LIMITED LARGELY TO NUCLEAR
POWER. I WOULD LIKE NOW TO DISCUSS THE OTHER TWO
TIERS.

2. THE SECOND TIER INVOLVES THOSE FORMS OF ENERGY THAT
WILL REQUIRE HIGHER LEVELS OF INVESTMENT AND PARTICULAR
INCENTIVES TO REALIZE. WE HAVE IN MIND PARTICULARLY
THE SYNTHETIC FUELS, FROM SHALE OIL TO TAR SANDS, FOR
INSTANCE, AND INCLUDING COAL GASIFICATION AND LIQUE-
FACTION. WE WOULD INCLUDE CONVENTIONAL OIL AND NATURAL
GAS THAT WOULD NOT OTHERWISE BE DEVELOPED AND POSSIBLY
COAL MINING IN AREAS THAT WOULD NOT OTHERWISE BE
EXPLOITED.

3. FOR THIS TIER, WE PROPOSE A PARTICULARLY FLEXIBLE
APPROACH. EACH COUNTRY WOULD ESTABLISH ITS OWN
NATIONAL USE OF DEVICES SUCH AS DEFICIENCY PAYMENTS,
SUBSIDIES AND TAX ADVANTAGES. THE MEMBERS OF INTER-
NATIONAL CONSORTIA TO BE FORMED TO SPUR DEVELOPMENT OF
PROJECTS IN THIS SPHERE WOULD AGREE THAT THEY WOULD BE
GUIDED BY THE PRINCIPLE OF NATIONAL TREATMENT. THAT IS,
TERMS AND CONDITIONS ON WHICH OTHER IEA MEMBERS COULD
PARTICIPATE IN DEVELOPMENT OF SUCH PRODUCTION WOULD,
WHEREVER POSSIBLE, BE THE SAME AS THOSE FOR NATIONAL
PARTICIPANTS. ACCESS TO CAPITAL, RESOURCES AND USE
WOULD BE ON THIS BASIS OF NATIONAL TREATMENT AND THE
BENEFITS TO EACH PARTICIPANT WOULD BE PROPORTIONATE TO
THE CONTRIBUTIONS IN THE FORM OF CAPITAL AND TECHNOLOGY
BROUGHT TO THE PROJECT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 032546

4. PROJECTS WOULD BE OPEN NOT ONLY TO GOVERNMENTS BUT
ALSO TO PRIVATE ENTERPRISES IN OTHER CONSORTIUM MEMBER
COUNTRIES. THE CONSORTIUM ITSELF WOULD BE ESSENTIALLY
A BROKER WITH A STAFF TO FACILITATE CONTRACTS BETWEEN
MEMBERS FOR BACKING SPECIFIC PROJECTS, APPLYING THE
PRINCIPLE OF NATIONAL TREATMENT WHICH, WITH OTHER
GOVERNING PRINCIPLES, WOULD BE SET OUT IN AN UMBRELLA
CONSORTIUM AGREEMENT. WE WOULD NOT ENVISAGE

THAT THE CONSORTIUM WOULD ITSELF INVEST IN OR MANAGE PROJECTS, ALTHOUGH WE WOULD NOT EXCLUDE SUCH A POSSIBILITY EITHER. THERE MIGHT PERHAPS BE A ROLE FOR GUARANTY OR INSURANCE OF CERTAIN PROJECTS ON AN IEA-WIDE BASIS.

5. FOR THE THIRD TIER, WE PROPOSE A SIMILAR APPROACH FOR RESEARCH AND DEVELOPMENT ON FORMS OF ENERGY THAT ARE NOT YET AT A STAGE APPROACHING EXPLOITATION. IN THIS CASE, TOO, THE CONSORTIUM WOULD BE THE LEADER AND THE BROKER FOR WHAT WE HOPE WILL BECOME VERY LARGE-SCALE PROJECTS.

6. AS IN THE CASE OF THE SECOND TIER, WE WOULD BE GUIDED BY THE PRINCIPLE OF NATIONAL TREATMENT. ALSO, AS IN THE SECOND TIER, WE WOULD THINK THAT THE UNITARY MANAGEMENT PRINCIPLE SHOULD BE OBSERVED TO THE MAXIMUM EXTENT POSSIBLE. THE AGENCY WOULD IDENTIFY PRIORITIES AND MAKE SURE THAT THE GREAT RESOURCES WITHIN THE IEA AREA ARE DEVELOPED EFFECTIVELY.

7. THIS THIRD TIER PROPOSAL GOES CONSIDERABLY FURTHER THAN OUR PRESENT COMMITMENTS, WHICH ARE ESSENTIALLY LIMITED TO INFORMATION EXCHANGE. WE WOULD NOT EXCLUDE LARGE-SCALE MULTILATERAL PROJECTS, BUT OUR EXPERIENCE HAS SHOWN THAT SUCH PROJECTS TEND TO BE SUBOPTIMAL. THE CONSORTIUM WOULD, HOWEVER, BE A BASIS FOR A FULL ACCESS OF MEMBERS TO INFORMATION DEVELOPED IN PROJECTS IN WHICH THEY WERE PARTICIPANTS.

8. MY DELEGATION IS PREPARED TO DEVELOP THESE IDEAS AND WILL WELCOME THE SUGGESTIONS OF OTHER DELEGATIONS. WE EXPECT THAT WE SHALL WITHIN THE NEXT TEN YEARS, BY MEANS OF THIS KIND OF APPROACH, BE ABLE TO GO FAR BEYOND WHAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 032546

WE CAN SEE TODAY IN TERMS OF THE POSSIBILITIES FOR DEVELOPMENT OF ENERGY RESOURCES.

9. I WOULD LIKE TO STRESS THAT THE THREE TIERS SHOULD BE VIEWED AS AN ENSEMBLE, NOT ONLY PRESENTATIONALLY, BUT ALSO ANALYTICALLY. THERE IS A CLOSE AND IMPORTANT RELATIONSHIP BETWEEN THE PROTECTION MECHANISM OF THE FIRST TIER AND THE POSSIBILITIES FOR PROGRESS IN THE SECOND TIER, THE SYNTHETIC FUELS CONSORTIUM. LIKEWISE, THE SUPPORT GIVEN TO MORE DISTANT ENERGY POSSIBILITIES THROUGH THE RESEARCH AND DEVELOPMENT OF CONSORTIUM SHOULD PROVIDE NEW PRACTICAL POSSIBILITIES OF APPLIED ENERGY DEVELOPMENT AND PRODUCTION ON WHICH THE MECHANISM OF THE SECOND TIER CAN FEED.

TURNER

UNQTE
INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, TEXT, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE032546
Document Source: CORE
Document Unique ID: 00
Drafter: JBLOOM:MER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750051-1025
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750248/aaaabrkn.tel
Line Count: 172
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OES
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2003 by BoyleJA>; APPROVED <19 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SUMMARY OF REMARKS BY ASST. SECRETARY ENDERS TO IEA GOVERNING BOARD FEB 6
TAGS: ENRG, GE, OECD, IEA, (ENDERS, THOMAS O)
To: BONN MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006